GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:169
ANSWERED ON:05.07.2004
REMUNERATIVE PRICE TO FARMERS
Bishnoi Shri Jaswant Singh;Yadav Shri Mitrasen

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the farmers are not getting remunerative price of their produce; and

(b) if so, the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): The main objective of price policy for agricultural produce is to ensure remunerative prices to the growers for their produce. With a view to encourage higher investment and production, and to safeguard the interests of consumers by making available supplies at reasonable prices, Government announces each season Minimum Support Prices (MSPs) for major agricultural commodities. The MSPs are uniform throughout the country. Since MSPs do not necessarily exceed the weighted average C2 cost (actual expenses incurred in cash and kind, rent for leased-in land and imputed value of wages of family labour, rent for owned land and interest on fixed capital) in respect of all crops/ States, the price policy seeks to ensure that the A2+FL cost (all actual expenses in cash and kind incurred in production + rent paid for leased-in land + imputed value of family labour) is covered by MSP in high cost/less endowed States. A statement showing the MSPs of major agricultural commodities announced in recent years is enclosed,

(b): Government organizes purchase operations through public and cooperative agencies such as Food Corporation of India (Wheat, Paddy & Coarse Cereals), Jute Corporation of India (Jute), Cotton Corporation of India (Cotton), National Agricultural Cooperative Marketing federation of India (NAFED)

(Pulses and Oilseeds) and Tobacco Board (Tobacco), besides other agencies designated by the State Governments for procurement of commodities for which MSP has been announced.

The wholesale prices of agricultural commodities are constantly monitored and instances of market prices ruling below the MSPs are referred to the respective designated central nodal agencies for undertaking procurement operations. The designated central nodal agencies are required to intervene in the market for undertaking price support operations in case the prices fall below the MSP level fixed by the Government.

The Government also implements the Market Intervention Scheme (MIS) for procurement of Horticultural Commodities on the request of a State/UT Government which is ready to bear 50% loss, if any, in its implementation, Besides, the Farm Income Insurance Scheme (FIIS) which is under implementation on pilot basis seeks to provide income protection to the farmers by integrating the mechanism of insuring production as well as market risks.

MINIMUM SUPPORT PRICES

(According to Crop Year)

(Rs. per quintal)

Sl. No.	Commodity	Variety	1998-99	1999-2000	2000-01	2001-02	2002-03 Special Drought relief price	2003-04(#) MSP	Increase over 2002-03
1.	PADDY	Common	440	490	510	530	530	550	20(3.8)
		Grade `A`	470	520	540	560	560	580	20 (3.6)
2.	JOWAR		390	415	445	485	485	505	20(4.1)

3. BAJRA 390 415 445 485 485 10 505 20(4.1)

4. MAIZE 390 415 445 485 485 5 505 20(4.1)

5. RAGI 390 415 445 485 485 5 505 20(4.1)
6. WHEAT 550 580 610 620 620 10 630 10(1.6)

7 BARLEY 385 430 500 500 500 5 525 25(5.0)

8. GRAM 895 1015 1100 1200 1220 5 1400 180(14.8)

9. ARHAR (Tur) 960 1105 1200 1320 1320 5 1360 40(3.0)
10. MOONG 960 1105 1200 1320 1320 5 1360 40(3.0)
11. URAD 960 1105 1200 1320 1320 5 1360 40(3.0)
12. MASUR (LENTIL)$ - - 1200 1320 1320 5 1500 180(13.6)
13. SUGARCANE@ 52.70 56.10 59.50 62.05 69.50 - 73 3.50(5.0)
14. COTTON F-414/H-777/J34 1440 1575 1625 1675 1675 20 1725 80(8.0)
H-4 1650 1775 1825 1875 1875 20 1925 60(2.7)
15. GROUNDNUT IN SHELL 1040 1155 1220 1340 1355 20 1400 45(3.3)
16. JUTE 650 750 785 810 850 - 860 10(1.2)
17. RAPESEED/MUSTARD 1000 1100 1200 1300 1330 10 1600 270(20.3)
18. SUNFLOWER SEED 1060 1155 1170 1185 1195 15 1250 55(4.6)
19. SOYABEEN BLACK 705 755 775 795 795 10 840 45(5.7)
YELLOW 795 845 865 885 885 10 930 45(5.1)
20. SAFFLOWER 990 1100 1200 1300 1300 5 1500 200(15.4)
21. TORIA 965 1065 1165 1265 1295 10 1565 270(20.8)
22. TOBACCO(VFC)Black Soil(F2 Gr) 22.50 25.00 26.00 27.00 28.00 - 31.00 3(10.7)
(Rs. per kg.)Light Soil(L2 Gr) 25.50 27.00 28.00 29.00 30.00 - 33.00 3(10.0)
23. COPRA Milling 2900 3100 3250 3300 3300 - 3320 20(0.6)
(Calender Year) Ball 3125 3325 3500 3550 3550 - 3570 20(0.6)
24. SESAMUM 1060 1205 1300 1400 1450 5 1485 35(2.4)
25. NIGERSEED 850 915 1025 1100 1120 - 1155 35(3.1)

@ Statutory Minimum Price (SMP) linked to a basic recovery of 8.5% with proportionate premium for every 0.1% Increase in recovery above that level. The SMP for 2002-03 includes the one time drought relief of Rs.5 per quintal recommended by CACP.

$ The MSP for masur (lentil) has been fixed from the crop year 2000-01.

Figures in brackets indicate percentage increase.